



MEETING AGENDA

Funding Work Group Meeting #8

MEETING DATE: Thursday, November 7, 2019
MEETING TIME: 1:30 p.m. – 3:30 p.m.
LOCATION: Bend City Hall Council Chambers

Objectives

Discuss and recommend approval of the draft Funding Chapter of the Bend Transportation Plan (BTP), including a preliminary Near-Term Funding Action Plan, to the Citywide Transportation Advisory Committee (CTAC).

Agenda

- 1. Welcome, where we are in the process, opportunity for public comment (20 minutes)**
- 2. Update on the November 6 Council Work Session on Transportation Funding (10 minutes)**
- 3. Briefing on Updates to Bend Development Code Chapter 4.7 (20 minutes)**
This is an informational item. The City is considering updates to Chapter 4.7 of the Bend Development Code to streamline and clarify the regulations for Traffic Impact Analysis.
- 4. Summary of Outcomes from FWG Meeting 7 (40 minutes)**
Please see attached summary. Staff will present the summary and the group will refine/validate the list of changes to be made to the draft Funding Chapter.
- 5. Funding Chapter Recommendation (30 minutes)**
 - a. Identify and discuss final refinements to the Funding Chapter
 - b. Declare possible conflicts
 - c. Vote by Funding Work Group. Two motions are needed:
Sample motion #1: "I move that the Funding Chapter, as refined by the listed changes from FWG Meetings 7 and 8, be recommended to CTAC."
Sample motion #2: "I move that the Near-term Funding Action Plan (Appendix A), as refined by the listed changes from FWG Meetings 7 and 8, be recommended to CTAC."
- 6. Public comment (10 minutes)**
- 7. Next steps and adjourn**

Accessible Meeting Information

This meeting/event location is accessible. Sign language interpreter service, assistive listening devices, materials in alternate format such as Braille, large print, electronic formats and audio cassette tape, or any other accommodations are available upon advance request. Please contact Jenny Umbarger no later than November 5th at jeumbarger@bendoregon.gov or 541-323-8509. Providing at least 3 days' notice prior to the event will help ensure availability.

Agenda Item No. 3:
Briefing on Updates to
Bend Development
Code Chapter 4.7



CITY OF BEND

P L A N N I N G C O M M I S S I O N M E M O

Meeting Date: October 28, 2019

File Number: 19-0776

Staff Members: Ryan Oster, City Engineer and Pauline Hardie, AICP, Senior Planner

SUBJECT: BDC Chapter 4.7, Transportation Analysis.

BACKGROUND: The City Council has a 2019-21 goal of approving 3,000 housing units by June 30, 2021. In order to achieve that goal, Councilors asked staff to consider development code changes that remove barriers to housing development. One of the chapters of the development code that could be modified to facilitate quicker housing approvals is the Traffic Impact Analysis, Chapter 4.7.

DISCUSSION The Traffic Impact Analysis rules in Chapter 4.7 require any development proposal to show that their development will not negatively impact the adjacent transportation system. Using the ITE manual, consultants hired by a developer forecast the number of daily and peak hour trips that the proposed development will put on the transportation system. The impacts to nearby collector and arterial intersections at the peak are analyzed based on the total number of daily and peak hour trips calculated. Impacts to new intersections (access streets and driveways) related to sight distance and safety are also analyzed.

Bend Development Code Chapter 4.7, Transportation Analysis includes the following two processes for a traffic analysis:

- 1) The Traffic Facility Report (TFR) for developments forecast to generate fewer than 100 daily trips; and,
- 2) The Traffic Impact Analysis (TIA) for developments forecast to generate more than 100 daily trips

The two most significant development barriers related to the Traffic Impact Analysis requirements in the Bend Development Code are:

- a) Analysis of intersections with known capacity problems.
- b) Staff and developer time spent submitting and reviewing studies and then identifying appropriate mitigation for projects that show minor or minimal intersection operational impacts on the transportation system.

The Community Building Council Subcommittee held a meeting on August 26, 2019, to review the barriers. After discussion, they generally supported the following amendments to BDC Chapter 4.7, Transportation Analysis to help address the barriers.

Amendment #1 – Add all intersections on the Capital Improvement Program (CIP) to the intersection operations analysis exempted list maintained by the City Manager.

This eliminates intersections typically required to be analyzed in a Traffic Impact Analysis that have already been identified and funded for capacity and/or safety improvements. It reduces time and cost to the developer for the land use application and reduces city staff time for land use approval.

Amendment #2 – Allow more development before requiring intersection operations analysis

Currently, the Bend Development Code requires that any development that is forecast to generate 100 daily trips submit a Traffic Impact Analysis (TIA) report. This report must include intersection operations analysis for any collector/arterial intersection forecast to receive 15 peak hour trips per lane group.

For example, a 20 lot single family subdivision is forecast to generate 198 daily trips and 20 pm peak hour trips. This proposed development would be required to submit a Traffic Impact Analysis report. If this development were to put 15 of the forecast 20 pm peak hour trips going straight through an adjacent intersection that only has one lane, the report would be required to include intersection operations analysis for that intersection.

A proposed increase to **700 daily trips** as the threshold for requiring a Traffic Impact Analysis and an increase to **50 pm peak hour trips** to require intersection operations analysis would allow a 74 lot single family subdivision, a 128 unit apartment complex or a 18,500 square foot retail development to submit just the Traffic Facility Report (TFR) and no longer require the TIA with intersection operations analysis.

The increase in trip thresholds reduces the developer and consultant time required for land use application for smaller development projects. It also will reduce the staff time required for review of land use application. Reductions to application preparation and review timelines could bring housing and mixed use developments to fruition more quickly than with existing rules.

There could be more traffic in the short term but it would be relatively minimal.

In addition to the amendments above, staff is proposing additional changes to BDC Chapter 4.7, Transportation Analysis to comply with Oregon Revised Statutes 197.307 and Oregon Administrative Rule Chapter 660 Division 8 that require cities to adopt and apply only “clear and objective standards, conditions and procedures” to residential development. These standards may not, either individually or cumulatively, have the effect of discouraging residential development through “unreasonable cost and delay.” While previously the clear and objective requirement applied to standards for “needed housing”—already a broad term encompassing most housing types— recent 2017 legislation expanded the requirement to apply to all residential development.

The proposed amendments create two different review paths: Clear and Objective Track and Discretionary Track. When an applicant submits a Transportation Facilities Report they must clearly state whether they are electing to use a review process for the transportation analysis with clear and objective standards (Clear and Objective Track) or is electing to allow the City Engineer to modify or waive the required information (Discretionary Track). The Transportation Facilities Report must identify the special circumstances that apply to the particular situation and explain how the chapter’s purpose and intent are still fulfilled if the City Engineer modifies or waives the required information.

Agenda Item No. 4:
Summary of Amendments
to Draft BTP Funding
Chapter

Amendments to Draft BTP Funding Chapter

PREPARED FOR: Funding Work Group (FWG)
 PREPARED BY: Lorelei Juntunen, Becky Hewitt, and Sadie DiNatale, ECONorthwest
 DATE: November 4, 2019

Introduction

On October 30, 2019, the Funding Work Group (FWG) discussed the attached draft funding chapter and associated appendices of the Bend Transportation Plan (BTP). The FWG recommended incorporating the amendments described in this memorandum. At its final meeting on November 7, the FWG will be asked to formally recommend that the draft funding chapter be advanced to the Citywide Transportation Advisory Committee (CTAC) for inclusion in the BTP, with these and any other amendments that are discussed on November 7th.

Amendments to Draft Chapter

Amendments to the draft Funding Chapter are needed to reflect direction from the FWG and to address clean-up and clarity items identified by the Project Team since the draft was produced. The changes and rationale are listed first, followed by a summary of how the changes, taken together, affect the revenue projections, funding gap, and conclusions.

Changes Directed / Discussed by FWG

- Update the near-term revenue estimate for the Transportation Utility Fee (TUF), in Table 3 on page 8. The amended language will read “Implementation of this source is reasonably likely within the first 10 years. If implemented in year 1 (collecting revenue by year 2), this fee could generate approximately \$46.3m through year 10.”¹
- Add “Roadway Reconstruction” as a category of capital projects that the City will implement over time and in phases. Prioritize \$25m (45% of total estimated \$56m) for near-term implementation. CTAC will ultimately discuss and make a recommendation of this addition, which will be relevant for the overall BTP and the Funding Chapter.
 - The Funding Chapter will account for these capital costs in the total new project costs summarized in Table 2 on page 4. The chapter will include language to describe an overall approach to funding this category of projects over 20 years:

The City of Bend has identified \$56 million of existing failed roadways that require reconstruction (i.e., roads that require full reconstruction due to a state of disrepair). These facilities are primarily classified as local roads. City staff is currently addressing minimal reconstruction needs with existing Operation and Maintenance (O&M) funding but is unable to address the entire reconstruction backlog without additional funding becoming available either through new sources or the reallocation of existing sources.

To fully capture the reconstruction needs within the TSP, the current estimate for reconstruction of existing failed roads in the system has been included as

¹ This assumes the TUF is implemented in FY 20/21 and collects revenue starting in FY 2021/22.

part of the TSP project list. The full project costs have been divided amongst the near-term, mid-term, and long-term priority lists, acknowledging that these needs will be addressed programmatically over time in coordination with the existing Streets Department O&M Program, Utility projects, and CIP projects. Existing, new, or leveraged (i.e., grants, etc.) funding sources should be considered to proactively address these reconstruction needs as funding becomes available.

- This addition has implications for the funding gap and needed revenue from new sources and the near-term funding action plan, as described later in this memo.

Other Amendments for Clarity and Consistency

The following items were not raised by FWG, but need to be addressed before the draft funding chapter is reviewed by CTAC:

- Adjust revenue estimates to reflect first collection in FY20-21 (except for TUF, which will be in FY21-22), in addition to other minor refinements to assumptions. This has implications for the revenue from existing and new sources, as described later in this memo.
- We are continuing to coordinate with urban renewal staff regarding the amount and timing of urban renewal dollars available for transportation (for both existing and new URAs), which will result in further refinements to assumed funding amounts from urban renewal before the chapter goes to CTAC.
- Clarify in Table 3 that a second GO Bond in years 11-20 is reasonably likely towards the end of the 20-year planning period, rather than in the mid-term, to allow for time after the City has finished implementing the first bond. Clarify language regarding the Expansion Area funding gap and the approach to addressing the funding gap, using the following language:

Unless an Expansion Area capital project is on the City's near-, mid-, or long-term priority list, that project is assumed to be funded by development either directly through developer contributions or indirectly through tools such as local improvement districts, supplemental transportation system development charges, and / or negotiated agreements.

- Note for reference that the draft policy that addresses expansion areas (which will be located in Chapter 2), which was reviewed by the City's Legal and Community Development staff, will read:

***F-9.** Funding for transportation infrastructure in Expansion Areas, as identified in the 2016 UGB expansion, will be determined either before or upon area plan and or master plan approval (unless exempted), and must be established prior to or concurrently with annexation. Transportation and infrastructure funding agreements will be memorialized for each expansion area property or properties in a development agreement, as part of master plan or area plan approval, and/or annexation. City/private developer cost sharing may be based on the following:*

- a. Construction and modernization of existing infrastructure to City standards and specifications;*
- b. The investment in transportation infrastructure helps solve existing transportation safety, capacity, or other apparent functional issue within the existing City limits;*

- c. *There is an opportunity for local, state and/or federal grants to leverage the private investments and provide partnerships;*
- d. *Other factors as determined by the City Manager.*

Implications for Revenue Projections, Capital Gap, and Conclusions

Existing Funding Revenue Projections and Commitments

The updates to assumptions for existing revenue sources result in minor changes to the near-term revenue available for new projects. The result in the mid- and long-term will be a little over \$10m less revenue available from existing sources. This will be reflected on page 3 and in Table 1.

Capital Gap

With the changes to revenue from existing sources (which decrease revenue by about \$10m) and the addition of Roadway Reconstruction costs (which add about \$56m in costs), the capital funding gap (total cost of new projects less available revenue from existing sources) over 20 years will increase from approximately \$495m to approximately \$561m. Roughly \$25m of this increase in the gap is in the near-term; the remaining \$41m increase is in the mid- and long-term. This will be reflected on page 4 and in Table 2.

Revenue Potential from New Funding Tools

The refinements to revenue projections described above result in negligible impacts to revenue from new sources in the near-term, but result in a total of about \$10m less revenue from all new sources in the mid-/long-term. The revenue projections in Table 3 (page 7) will be updated to reflect the changes to the mid- and long-term revenue potential for each source.

In addition, the upper limit on the potential bond revenue listed in Table 3 may need to increase to \$225-250m as noted below.

Conclusions

The conclusions regarding OM&P revenue and gap will not change.

For capital, the revised revenue estimate for all new capital sources over 20 years after these updates is approximately \$567-582m depending on funding from the new URA. The final chapter will clarify that the full project list is reasonably likely to be funded either with larger GO bonds or by implementing other new or expanded existing funding tools (e.g. a larger TUF, VRF, and/or, a seasonal food and beverage sales tax and fuel tax).

The conclusions on page 9 will be updated to reflect these changes.

Key Take-Aways for FWG regarding Draft Funding Chapter

It is still the case that the City can fully fund the full project list over 20 years by implementing all identified new and expanded funding sources (including a seasonal gas tax or seasonal prepared food and beverage tax) within five years and passing two \$200m bonds. However, the increase in projects, combined with the reductions in revenue mean that, for the purposes of the TSP, a higher bond amount (\$225–250m) may be necessary to allow greater options for the City to implement new funding sources selectively and still fund the full project list.

City leaders will need to evaluate the impact of larger bonds on households in Bend, and balance the need for key transportation project implementation with the needs of the City residents. If Council chooses smaller bond amounts, and is committed to accomplishing all the projects in the project list, implementation of more diverse funding sources will be necessary.

See key take-away below for options regarding the GO Bond as a revenue source for near-term funding.

The conclusions for OM&P revenue and gap will not change.

Amendments to Appendix A. Near-Term Action Plan

- Changes Directed / Discussed by FWG Reframe Appendix A as CTAC's recommendations to Council. City of Bend legal staff have drafted language for the policy chapter of the TSP to explain the relationship between the TSP's policies and actions, noting that the actions are advisory and provide guidance for implementation. Incorporate similar language in Appendix A to clarify that the Action Plan is advisory:

This Action Plan is intended as guidance for implementing the funding strategy. It identifies approaches recommended by the Citywide Transportation Advisory Committee (CTAC) to implement the TSP funding strategy in the near-term. The Action Plan is an advisory recommendation for achieving the stated strategy and policies and does not limit the City to a single approach.

- Add language to the first bullet on page 1 of Appendix A to describe that "Plan A" will also include a city-wide transportation system development charge (TSDC) rate increase and new Core Area Urban Renewal funding.

Other Amendments for Clarity and Consistency

- Modify the "Plan A" and "Plan B" Sankey diagrams, in Appendix A, to clarify the Near-term Action Plan by: (1) changing the middle belts to "Pool of funds for Capital Projects" and "Pool of funds for OM&P" and (2) differentiating the colors on the left and right-hand sides of the diagrams.
- Modify the Sankey diagrams for consistency with the contents of the chapter: (1) add "Roadway Reconstruction" as a capital project category, (2) include a citywide TSDC rate increase as a funding source in Option A, and (3) increase the GO bond revenue estimate in Option A as described above.

Key Take-Away for FWG regarding Near-Term Action Plan

To fund the additional near-term capital projects (the \$25m of Roadway Reconstruction along with the increased administrative costs for bond projects and the potential increases for mobility hubs), additional funding will be needed beyond what is currently described as reasonably likely in the near-term unless the City can phase or achieve cost savings on other near-term projects. This could come from a larger GO bond or implementation of additional funding tools that were not described as reasonably likely in the near-term (e.g. a seasonal food and beverage sales tax and a seasonal fuel tax).

Conclusions regarding OM&P near-term funding will not change.

Additional Considerations to Forward to CTAC

On October 30, the FWG discussed topics that will not be directly addressed in the funding chapter or its associated appendices. The following topics are for CTAC's consideration:

- Consider adding a policy about leveraging interagency and other outside funds, whenever possible throughout the implementation of the 20-year BTP.

- Consider including language associated with the project list that explains the City will continuously seek to identify potential funding partners, where possible and appropriate. Specific and likely partners should be called out with the explanation.